

North Carolina Department of Revenue its election to be treated as a 'regulated investment company' or as a 'real estate investment trust' shall be taxed under this division upon only that part of its net income which is not distributed or declared for distribution to shareholders during the income year or (i), with respect to a regulated investment company, within 30 days after the end of the income year and (ii), with respect to a real estate investment trust by the time required by law for the filing of the return for the income year. Provided, that amounts distributed or declared for distribution during the prescribed period to nonresident shareholders not taxed on such distributions under the income tax laws of this State shall not be excluded in computing the net income of such regulated investment company or real estate investment trust.

"§ 105-130.13. Special Corporations. A corporation electing to be taxed under Subchapter S of Chapter 1 of the Internal Revenue Code shall compute its State taxable income in the same manner as corporations not electing to be taxed under Subchapter S of Chapter 1 of the Internal Revenue Code.

"§ 105-130.14. Corporations Filing Consolidated Returns For Federal Income Tax Purposes. Any corporation electing or required to file a consolidated income tax return with the Internal Revenue Service shall not file a consolidated return with the Commissioner of Revenue, unless specifically directed to do so in writing by the Commissioner, and shall determine its State net income as if a separate return had been filed for federal purposes.

"§ 105-130.15. Basis of Return of Net Income. (a) The net income of a corporation shall be computed in accordance with the method of accounting regularly employed in keeping the books of such corporation, but such method of accounting must be consistent with respect to both income and deductions, but if in any case such method does not clearly reflect the income, the computation shall be made in accordance with such method as in the opinion of the Commissioner of Revenue does clearly reflect the income, but shall follow as nearly as practicable the federal practice, unless contrary to the context and intent of this division.

The Commissioner may in his discretion adopt the rules and regulations and any guidelines administered or established by the Internal Revenue Service unless contrary to any provisions of this division.

(b) Change of Income Year.

(1) A corporation may change the income year upon which it reports for income tax purposes without prior approval by the Commissioner of Revenue if such change in income year has been approved by or is acceptable to the Federal Commissioner of Internal Revenue and is used for filing income tax returns under the provisions of the Internal Revenue Code of 1954.

If a corporation desires to make a change in its income year other than as provided above, it may make such change in its income year with the approval of the Commissioner of Revenue, provided such approval is requested at least 30 days prior to the end of its new income year.

A corporation which has changed its income year without requesting the approval of the Commissioner of Revenue as provided in the first para-